

Procedures for Annual Adjustments Howard County

Residential

- Step 1: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. Due to the number of vacant land sales, it was decided to look at the annual adjustment of vacant land at the County level. After reviewing the statistical measures it was determined that the trending factors applied in 2009 were to remain as the factors for 2010.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were not 5 sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

- Step 1: The C/I land values were trended by sales of vacant land within the neighborhood. Due to an insufficient number of vacant land sales in Howard County, and the fact that review of the residential land factors were not changing, the 2009 factors remained the same for 2010.
- The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the trending was expanded to county wide and the trending for commercial and industrial properties were completed together.
- For income producing properties, income data sheets were mailed out and GRM's or capitalization of income was used to assist in determining the values.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.